

PROPOSED REGULATIONS ON SUBMISSION OF PAYROLL AND  
CONTRIBUTION INFORMATION AND METHOD OF COLLECTING INTEREST  
AND ADMINISTRATIVE COSTS

California Code of Regulations, Title 2 §§ 565.1, 565.2, 565.3 and 565.5  
Title 2. Administration  
Division 1. Administrative Personnel  
Chapter 2. Board of Administration of Public Employees' Retirement System  
Subchapter 1. Employees' Retirement System Regulations  
Article 4. Contracts

AMEND § 565.1

§ 565.1. Filing Submission of Payroll Report and Contribution Information.

(a) The employer shall submit payroll and contribution information using the CalPERS reporting system or in a manner as otherwise prescribed by the Board.

~~(b) For employers reporting on tape or punched cards, a complete and orderly payroll and contribution information report for each pay period shall be filed with the System at its Sacramento office submitted on or before 30 calendar days following the last day of the pay period to which it refers.~~

(c) CalPERS shall notify the employer of payroll and contribution information reporting errors. The employer shall correct such errors within 60 calendar days of the date of the notice from CalPERS. ~~For employers reporting on a pre-list method, a complete and orderly payroll report for each pay period shall be filed with the System at its Sacramento office on or before 30 calendar days following the last day of the period to which it refers, or on or before 20 calendar days after mailing, by the System, of the pre-list therefore, whichever is the later.~~

Note: Authority cited: Sections 20120-20124, Government Code. Reference: Sections ~~20531~~ 20532, 20536, 20537, 20572, and 20531.5 ~~20615~~, Government Code.

AMEND § 565.2

§ 565.2. Interest on Late Payments Insufficient Contributions.

(a) If within a fiscal year an employer fails to pay at least 90% of the member and employer contributions due within the prescribed time set forth in Section 565, CalPERS may bill the employer for the total amount then due. If an employer fails to pay the billed amount within 30 calendar days of the bill, interest shall be charged upon the amount due from the original due date until received by CalPERS the System in Sacramento.

(b) If an employer fails to pay at least 99% of the member and employer contributions due at fiscal year end, CalPERS shall bill the employer for the total amount then due. If an employer fails to pay the billed amount within 30 calendar days of the date of the bill, interest shall be charged upon the amount due from the original due date until received by CalPERS. The annual rate of interest to be charged shall be equal to the average yield on moneys being invested in short-term fixed income securities during the month which includes the due date.  
(c) Interest shall be charged as set forth in Government Code section 20537.

Note: Authority cited: Sections 20120-20124, Government Code. Reference: Sections ~~20534~~20532, 20536, 20537, 20572, and ~~20534.5~~20615, Government Code.

### AMEND § 565.3

#### § 565.3. Cost Assessment for Late-Incomplete or Erroneous Payroll and Contribution Information Reporting.

(a) If an employer fails to file a complete or correct payroll and contribution report information as required by these regulations within the time period set forth, an assessment to recover the cost of follow-up and special accounting of \$200.00 for each report shall may be made. The assessment shall be made monthly until the posted payroll and contribution information is complete and correct.  
(b) If, in the opinion of the Executive Officer, such assessment is insufficient to meet the added costs because of special circumstances, he shall estimate such costs and make an appropriate supplemental assessment.

Note: Authority cited: Sections 20120-20124, Government Code. Reference: Sections ~~20534~~20532, 20536, 20537, 20572, and ~~20534.5~~20615, Government Code

### ADD § 565.5

#### § 565.5 Method of Collecting Administrative Costs.

(a) Notice of the amount of any fee for service (including fee for preparation of an actuarial valuation), or cost assessment for incomplete or erroneous payroll and contribution reporting (including late enrollment) shall be provided to the employer through the employer's preferred communication method or, if no preference has been selected, by mail.  
(b) An employer shall promptly pay the amount due, or shall notify the board if the employer disputes the amount due.  
(c) Failure of an employer to pay or dispute the amount due within 30 days of the date of the notice shall be deemed to be agreement as to the amount due and consent for the Board to deduct the amount shown in the notice from the employer's reserve account, or to demand payment from the employer.

(d) If an employer notifies the Board of a dispute for the amount within 30 days of the date of the notice, the Board will not deduct the amount from the employer's account until the dispute is resolved and further notice is given.

NOTE: Authority cited: Section 20121, Government Code. Reference: Sections 20283, 20535, 20536, 20537, 20572, and 20615, Government Code